

To: Policy and Resources Committee

From: Deputy Chief Executive Officer (DCEO) - Matthew Warren

Presenting officer(s): Deputy Chief Executive Officer - Matthew Warren
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Revenue and Capital Budget Monitoring Report 2023-24

1. Purpose

- 1.1 The purpose of this report is to provide the Policy and Resources Committee with an update on revenue and capital spending as of 31 December 2023.

2. Recommendation

- 2.1 The Committee is asked to note the position on revenue and capital spending.

3. Risk Assessment

- 3.1 **Economic** – the greatest risk to the in-year budget is the continued impact of inflation on prices and pay. The Authority may have to use reserves to balance spend at the end of the financial year.

4. Background

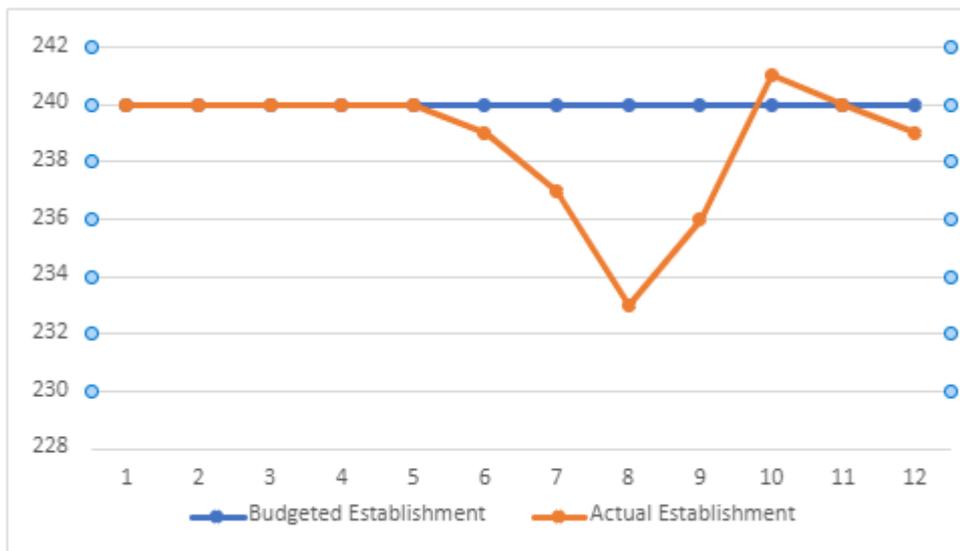
- 4.1 The budget for 2023/24 was approved at the Fire Authority meeting held in February 2023. The total budget was set at £33.671m with a total precept of £24.136m.
- 4.2 At its meeting in June 2023 the Authority approved a revenue carry forward of £1.636m. The carry forward included grant income of £0.647m which will be held in reserve until the funding is required. Grant funding of £1.4m relating to business rate multiplier inflation has been transferred into a reserve to fund specific one-off capital expenditure. The final adjustment from reserves of £459k will finance a retrospective pay award. This leaves the Authority with a revised revenue budget for the 2023/24 financial year of £35.720m.
- 4.3 A budgetary control summary showing the main variations to 30 September 2023 is attached at Appendix 1. The carry forwards highlighted in Paragraph 4.2 above have been incorporated into the current year budgets.

5. Inflationary Pressures

5.1 As highlighted through the budget setting process for the 2023/24 financial year, inflation continued to be deemed the greatest risk to the financial sustainability of the Authority in the short-term.

6. Update – Revenue Expenditure

6.1 The budget for full-time firefighters is currently slightly overspent this financial year due to mandatory training and associated overtime payments. Actual firefighter numbers are slightly lower than that budgeted for in the establishment however the Service has robust plans in place to bring wholetime crewing levels back in line with the budgeted establishment by the end of the calendar year.



6.2 The control pay budget will come under additional pressure as we implement the new mobilisation system. This pressure is related to overtime required to backfill watches whilst they are being trained on the new system. This will be closely controlled to ensure we balance additional spend and crewing levels.

6.3 The pay award for professional support employees was agreed at 5%. Whilst the award was higher than budgeted, the impact is minimal. The in-year pressure will be offset by savings resulting from delays in recruiting to vacant posts.

6.4 The premises budget is currently overspent. This overspend relates to the business rates on the new Huntingdon site. We are currently working to review all current business rates to ensure they are appropriate for our buildings.

6.5 Vehicle running expenses are showing an overspend. This is owing to supply challenges with the silver fleet resulting in higher maintenance costs. However the rollout of new Officer cars began in November 2023 so the burden on this budget will drop in the latter part of the financial year. The overspend in running costs is offset by the savings on fuel.

- 6.6 The supplies and services budgets are showing an underspend. This budget is where all savings identified as part of the comprehensive spending review (CSR) preparation project are held. It is intended to use these savings to fund the budget gaps caused by inflationary increases at year-end.
- 6.7 The operational fire budget relates to On-Call firefighter expenditure. This expenditure fluctuates according to demand and is continually monitored through the financial year. The current budget is underspent significantly, which is a direct contrast to this time last year when the Service had experienced significant demand and was overspending.
7. Update - Capital Expenditure and Financing
- 7.1 The revised capital programme, together with spending to date, is shown in the table contained within Appendix 2
- 7.2 This budget covers the purchase of operational and non-operational vehicles. The purchase of new vehicles is in line with the revised Fleet Strategy and Plan. It also considers the new sustainability strategy. The revised forecast provides for a foam water carrier, a mixture of service fleet vans and cars along with new hybrid flexi Officer vehicles. The carry forward relates to flexi Officer car purchases that have been delayed by almost two years.
- 7.3 This budget covers the maintenance and refurbishment of existing properties across the entire estate portfolio.
- 7.4 The IT and communications capital budget covers the purchase of major IT systems, hardware and the upgrade of communications equipment. The purchase and implementation of the new mobilisation system is included within this budget.
- 7.5 The equipment expenditure relates to heavy duty rescue equipment, thermal cameras and defibrillators.
- 7.6 The Authority is still carrying debt of £5.7m. This position has remained unchanged since June 2021, the last time any additional debt was taken. The Authority is holding £8.6m on deposit against this debt. A summary table of this position is shown in Appendix 3.

Source Document

Revenue and Capital Budget Position 2023/24

Location

Hinchingbrooke Cottage, Brampton Road, Huntingdon

Contact Officer

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Description	Paragraph	Revised Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance £'000
EMPLOYEE EXPENDITURE					
Operational Wholetime	6.1	14,683	11,021	11,082	61
Operational On-Call	6.7	3,373	2,529	2,412	(117)
Operational Control	6.2	1,909	1,434	1,486	52
Operational Other	6.1	871	654	663	9
Support Mgt & Admin	6.3	7,440	5,725	5,539	(186)
Support Mechanics	6.3	260	195	214	18
Support Caretakers/Handymen	6.3	206	155	159	4
Other Employee Costs		2,013	1,499	1,094	(404)
		30,756	23,211	22,649	(563)
PREMISES EXPENDITURE					
Insurance		45	45	24	(22)
Utilities - Gas, Electric, Water, Oil		593	396	381	(15)
Cleaning & Waste Management		38	27	31	4
Business Rates		716	716	805	89
Property maintenance (inc. service charges)		511	358	389	31
Other - rents, offices furniture & consumables, TV licenses)		66	58	46	(12)
	6.4	1,969	1,601	1,676	74
TRANSPORT AND PLANT EXPENDITURE					
New Operational Equipment & Consumables		91	69	71	2
BA, Operational Equipment Maintenance & Repairs		229	174	209	34
Fleet Fuel		474	356	270	(86)
Fleet Maintenance (inc. Tax & MOTs & workshop tools)		232	174	197	22
Fleet Insurance		129	127	131	4
	6.5	1,155	900	877	(22)
SUPPLIES AND SERVICES EXPENDITURE					
Finance charges, Audits, Other insurance, Pension admin fees		307	197	131	(65)
Community Safety, Fire Protection & Prevention, Hydrants		270	202	154	(48)
Hired support, Consultancy & Professional Fees		1,651	914	481	(434)
Cross Border Activity Costs		90	0	(4)	(4)
Project Programme Costs		148	123	85	(38)
IT hardware and software, inc. maintenance (non-capital)		1,340	1,118	1,263	145
Postage, Printing & Copier expenses		51	39	40	1
Telecommunications, Airwaves, Mobilising equipment		1,006	781	629	(152)
Subscriptions		63	45	60	15
Other		45	31	12	(19)
	6.6	4,973	3,450	2,851	(599)
CONTROLLABLE EXPENDITURE		38,852	29,162	28,053	(1,110)
Other Income					
Secondments Income		(234)	(117)	(109)	8
Shared Services & Contributions (Fire Services)		(1,266)	(668)	(863)	(195)
Other Services Income		(319)	(271)	(359)	(88)
Non-NNDR Government Grants		(1,881)	(1,708)	(1,710)	(2)
		(3,700)	(2,764)	(3,041)	(277)
NET CONTROLLABLE EXPENDITURE		35,152	26,399	25,012	(1,387)

Capital Resources Summary

Capital Expenditure/Funding Type	Para	Original Budget	Carry forwards	Revised Budget	Actual Expenditure	Committed
Vehicles	7.2	£ 899,980	£ 687,554	£ 1,587,534	£ 255,773	£ 1,543,973
Property	7.3	£ 1,515,000	£ 954,655	£ 2,469,655	£ 878,935	£ 1,916,923
ICT	7.4	£ 530,000	£ 1,001,251	£ 1,531,251	£ 284,130	£ 1,222,130
Equipment	7.5	£ 53,340	£ 119,567	£ 172,907	£ 118,913	£ 118,913
Total		£ 2,998,320	£ 2,763,027	£ 5,761,347	£ 1,537,751	£ 4,801,939
Capital Receipts Reserve		-£ 2,959,000	£ -	-£ 2,959,000	-£ 577,653	-£ 2,959,000
Loan		£ -	£ -	£ -	£ -	£ -
Application of reserves		£ 150,000	£ -	£ 150,000	£ -	£ -
Revenue Contribution		-£ 189,000	-£ 2,763,025	-£ 2,952,025	-£ 960,098	-£ 1,842,939
		-£ 2,998,000	-£ 2,763,025	-£ 5,761,025	-£ 1,537,751	-£ 4,801,939

